

## HOUSE BILL NO. 642

INTRODUCED BY J. FRENCH

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING CLASS NINE PROPERTY DESCRIPTIONS TO CONFIRM THAT ALLOCATIONS OF CENTRALLY ASSESSED NATURAL GAS PIPELINES, OIL PIPELINES, CARBON DIOXIDE PIPELINES, LIQUID PIPELINES, AND PRODUCT PIPELINES REMAIN AS CLASS NINE PROPERTY; AMENDING SECTION 15-6-141, MCA; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-6-141, MCA, is amended to read:

**"15-6-141. Class nine property -- description -- taxable percentage.** (1) Class nine property includes:

(a) centrally assessed allocations of an electric power company or centrally assessed allocations of an electric power company that owns or operates transmission or distribution facilities or both, including, if congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute electrical energy, allocations of properties constructed, owned, or operated by a public agency created by congress to transmit or distribute electrical energy produced at privately owned generating facilities, not including rural electric cooperatives. However, rural electric cooperatives' property, except wind generation facilities classified under 15-6-157, used for the sole purpose of serving customers representing less than 95% of the electric consumers located within the incorporated limits of a city or town of more than 3,500 persons in which a centrally assessed electric power company also owns property or serving an incorporated municipality with a population that is greater than 3,500 persons formerly served by a public utility that after January 1, 1998, received service from the facilities of an electric cooperative is included. For purposes of this subsection (1)(a), "property used for the sole purpose" does not include a headquarters, office, shop, or other similar facility.

(b) allocations for centrally assessed natural gas companies having a major distribution system in this state;

(c) centrally assessed:

(i) natural gas pipelines;

(ii) oil pipelines;

1        (iii) carbon dioxide pipelines as defined in 15-6-158(2)(a);

2        (iv) liquid pipelines as defined in 15-6-158(2)(f); and

3        (v) product pipelines; and

4        ~~(e)~~(d) centrally assessed companies' allocations except:

5        (i) electrical generation facilities classified under 15-6-156;

6        (ii) all property classified under 15-6-157;

7        (iii) all property classified under 15-6-158 and 15-6-159;

8        (iv) property owned by cooperative rural electric and cooperative rural telephone associations and  
9        classified under 15-6-135;

10       (v) property owned by organizations providing telephone communications to rural areas and classified  
11       under 15-6-135;

12       (vi) railroad transportation property included in 15-6-145;

13       (vii) airline transportation property included in 15-6-145; and

14       (viii) telecommunications property included in 15-6-156.

15       (2) Class nine property is taxed at 12% of market value."

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17       **NEW SECTION. Section 2. Saving clause.** [This act] does not affect rights and duties that matured,  
18       penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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20       **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2009.

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22       **NEW SECTION. Section 4. Retroactive applicability.** [This act] applies retroactively, within the  
23       meaning of 1-2-109, to December 31, 2004.

24       - END -